

Large Institutions Examination Procedures and Sample Format for Public Disclosure of Examination Results

The Examination Procedures for Large Institutions and the Sample Format for Public Disclosure of Examination Results follow. Both documents are also available on the web site of the Federal Financial Institutions Examination Council.

Examination Procedures: www.ffiec.gov/cra/pdf/cra_exlarge.pdf

Sample Format for Public Disclosure of Examination Results: www.ffiec.gov/cra/pdf/ex_instruct_l.pdf

Examination Scope

For institutions (interstate and intrastate) with more than one assessment area, identify assessment areas for a full-scope review. A full-scope review is accomplished when examiners complete all of the procedures for an assessment area. For interstate institutions, a minimum of one assessment area from each state, and a minimum of one assessment area from each multistate metropolitan statistical area/metropolitan division (MSA/MD), must be reviewed using the full-scope examination procedures.

1. Review prior Community Reinvestment Act (CRA) performance evaluations, available community contact materials, Home Mortgage Disclosure Act (HMDA) and CRA performance data including the institution's lending, investment, and service activities by assessment area, the lending of other lenders in those markets, and demographic information from those markets.
2. Select assessment areas for full-scope review by considering the factors below:
 - a. the lending, investment, and service opportunities in the different assessment areas, particularly areas where the need for bank credit, investments, and services is significant;
 - b. the level of the institution's lending, investment, and service activity in the different assessment areas, including in low- and moderate-income areas, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies designated by the agencies¹ based on (i) rates of poverty, unemployment, and population loss or (ii) population size, density, and dispersion;²
 - c. the number of other institutions in the different assessment areas and the importance of the institution under examination in serving the different areas, particularly any areas with relatively few other providers of financial services;
 - d. comments and feedback received from community groups and the public regarding the institution's CRA performance;
 - e. the size of the population;
 - f. the existence of apparent anomalies in the reported CRA or HMDA data for any particular assessment area(s);

- g. the length of time since the assessment area(s) was last examined using a full-scope review;
- h. the institution's prior CRA performance in different assessment areas;
- i. examiners' knowledge of the same or similar assessment areas; and
- j. issues raised in CRA performance evaluations of other institutions and prior community contacts in the institution's assessment areas or similar assessment areas.

Performance Context

1. Review standardized worksheets and other agency information sources to obtain relevant demographic, economic, and loan data, to the extent available, for each assessment area under review. Compare the data with similar data for the MSA/MD, county, or state to determine how any similarities or differences will help in evaluating lending, investment, and service opportunities and community and economic conditions in the assessment area. Also consider whether the area has housing costs that are particularly high given area median income.
2. Obtain for review the Consolidated Reports of Condition (Call Reports), Uniform Bank Performance Reports (UBPR), annual reports, supervisory reports, and prior CRA evaluations of the institution to help understand the institution's ability and capacity, including any limitations imposed by size, financial condition, or statutory, regulatory, economic or other constraints, to respond to safe and sound opportunities in the assessment area(s) for retail loans, and community development loans, investments, and services.
3. Discuss with the institution, and consider, any information the institution may provide about its local community and economy, including community development needs and opportunities, its business strategy, its lending capacity, or information that otherwise assists in the evaluation of the institution.
4. Review community contact forms prepared by the regulatory agencies to obtain information that assists in the evaluation of the institution. Contact local community, governmental, or economic development representatives to update or supplement this information. Refer to the Community Contact Procedures for more detail.
5. Review the institution's public file and any comments received by the institution or the agency since the last CRA performance evaluation.

1. The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency.

2. A list of distressed or underserved nonmetropolitan middle-income geographies is available on the Federal Financial Institutions Examination Council (FFIEC) website at www.ffiec.gov/.

ation for information that assists in the evaluation of the institution.

6. By reviewing performance evaluations and other financial data, determine whether any similarly situated institutions (in terms of size, financial condition, product offerings, and business strategy) serve the same or similar assessment area(s) and would provide relevant and accurate information for evaluating the institution's CRA performance. Consider, for example, whether the information could help identify
 - a. lending and community development opportunities available in the institution's assessment area(s) that are compatible with the institution's business strategy and consistent with safe and sound banking practices;
 - b. constraints affecting the opportunities to make safe and sound retail loans, community development loans, qualified investments and community development services compatible with the institution's business strategy in the assessment area(s); and
 - c. successful CRA-related product offerings or activities utilized by other lenders serving the same or similar assessment area(s).
7. Document the performance context information, particularly community development needs and opportunities, gathered for use in evaluating the institution's performance.

Assessment Area

1. Review the institution's stated assessment area(s) to ensure that it
 - a. consists of one or more MSAs/MDs or contiguous political subdivisions (i.e., counties, cities, or towns);
 - b. includes the geographies where the institution has its main office, branches, and deposit-taking automated teller machines (ATMs), as well as the surrounding geographies in which the institution originated or purchased a substantial portion of its loans;
 - c. consists only of whole census tracts;
 - d. consists of separate delineations for areas that extend substantially across MSA/MD or state boundaries unless the assessment area is in a multistate MSA/MD;
 - e. does not reflect illegal discrimination; and
 - f. does not arbitrarily exclude any low- or moderate-income area(s) taking into account the institution's size, branching structure, and financial condition.
2. If the assessment area(s) does not coincide with

the boundaries of an MSA/MD or political subdivision(s), assess whether the adjustments to the boundaries were made because the assessment area would otherwise be too large for the institution to reasonably serve, have an unusual configuration, or include significant geographic barriers.

3. If the assessment area(s) fails to comply with the applicable criteria described above, develop, based on discussions with management, a revised assessment area(s) that complies with the criteria. Use this assessment area(s) to evaluate the institution's performance, but do not otherwise consider the revision in determining the institution's rating.

Lending, Investment, and Service Tests for Large Retail Institutions

Lending Test

1. Identify the institution's loans to be evaluated by reviewing
 - a. the most recent HMDA and CRA Disclosure Statements, the interim HMDA Loan Application Register (LAR), and any interim CRA loan data collected by the institution;
 - b. a sample of consumer loans if consumer lending represents a substantial majority of the institution's business so that an accurate conclusion concerning the institution's lending record could not be reached without a review of consumer loans;
 - c. any other information the institution chooses to provide, such as small business loans secured by nonfarm residential real estate, home equity loans not reported for HMDA, unfunded commitments, any information on loans outstanding, and loan distribution analyses conducted by or for the institution, including any explanations for identified concerns or actions taken to address them.
2. Test a sample of loan files to verify the accuracy of data collected and/or reported by the institution. In addition, ensure that
 - a. affiliate loans reported by the institution are not also attributed to the lending record of another affiliate subject to CRA. This can be accomplished by requesting the institution to identify how loans are attributed and how it ensures that all the loans within a given lending category (e.g., small business loans, home purchase loans, motor vehicle, credit card, home equity, other secured, and other unsecured loans) in a particular assessment area are reported for all of the institution's affiliates if the institution elects

- to count any affiliate loans;
- b. loans reported as community development loans (including those originated or purchased by consortia or third parties) meet the definition of community development loans. Determine whether community development loans benefit the institution's assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Except for multifamily loans, ensure that community development loans have not also been reported by the institution or an affiliate as HMDA, small business or farm, or consumer loans. Review records provided to the institution by consortia or third parties or affiliates to ensure that the amount of the institution's third party or consortia or affiliate lending does not account for more than the institution's percentage share (based on the level of its participation or investment) of the total loans originated by the consortia, third parties, or affiliates;
 - c. all consumer loans in a particular loan category have been included when the institution collects and maintains the data for one or more loan categories and has elected to have the information evaluated.
3. Identify the volume, both in number and dollar amount, of each type of loan being evaluated that the institution has made or purchased within its assessment area. Evaluate the institution's lending volume considering the institution's resources and business strategy and other information from the performance context, such as population, income, housing, and business data. Note whether the institution conducts certain lending activities in the institution and other activities in an affiliate in a way that could inappropriately influence an evaluation of borrower or geographic distribution.
 4. Review any analyses prepared by or for and offered by the institution for insight into the reasonableness of the institution's geographic distribution of lending. Test the accuracy of the data and determine if the analyses are reasonable. If areas of low or no penetration were identified, review explanations and determine whether action was taken to address disparities, if appropriate.
 5. Supplement with an independent analysis of geographic distribution as necessary. As applicable, determine the extent to which the institution is serving geographies in each income category and whether there are conspicuous gaps unexplained by the performance context. Conclusions should recognize
 - a. that institutions are not required to lend in every geography. The analysis should consider
 - a. (excluding affiliate lending) the number, dollar amount, and percentage of the institution's loans located within any of its assessment areas, as well as the number, dollar amount, and percentage of the institution's loans located outside any of its assessment areas;
 - b. the number, dollar amount, and percentage of each type of loan in the institution's portfolio in each geography, and in each category of geography (low-, moderate-, middle-, and upper-income);
 - c. the number of geographies penetrated in each income category, as determined in step (b), and the total number of geographies in each income category within the assessment area(s);
 - d. the number and dollar amount of its home purchase, home refinancing, and home improvement loans, respectively in each geography compared to the number of one-to-four family owner-occupied units in each geography;
 - e. the number and dollar amount of multifamily loans in each geography compared to the number of multifamily structures in each geography;
 - f. the number and dollar amount of small business and farm loans in each geography compared to the number of small businesses/farms in each geography;
 - g. whether any gaps exist in lending activity for each income category, by identifying groups of contiguous geographies that have no loans or those with low penetration relative to the other geographies.
 6. If there are groups of contiguous geographies within the institution's assessment area with abnormally low penetration, the examiner may determine if an analysis of the institution's performance compared to other lenders for home mortgage loans (using reported HMDA data) and for small businesses and small farm loans (using data provided by lenders subject to CRA) would provide an insight into the institution's lack of performance in those areas. This analysis is not required, but may provide insight if
 - a. the reported loan category is substantially related to the institution's business strategies;
 - b. the area under analysis substantially overlaps the institution's assessment area(s);

- c. the analysis includes a sufficient number and volume of transactions, and an adequate number of lenders with assessment area(s) substantially overlapping the institution's assessment area(s);
 - d. the assessment area data are free from anomalies that can cause distortions such as dominant lenders that are not subject to the CRA, a lender that dominates a part of an area used in calculating the overall lending, or there is an extraordinarily high level of performance, in the aggregate, by lenders in the institution's assessment area(s).
7. Using the analysis from step 6, form a conclusion as to whether the institution's abnormally low penetration in certain areas should constitute a negative consideration under the geographic distribution performance criteria of the lending test by considering
- a. the institution's share of reported loans made in low- and moderate-income geographies versus its share of reported loans made in middle- and upper-income geographies within the assessment area(s);
 - b. the number of lenders with assessment area(s) substantially overlapping the institution's assessment area(s);
 - c. the reasons for penetration of these areas by other lenders, if any, and the lack of penetration by the institution being examined that are developed through discussions with management and the community contact process;
 - d. the institution's ability to serve the subject area in light of (i) the demographic characteristics, economic condition, credit opportunities and demand; and (ii) the institution's business strategy and its capacity and constraints;
 - e. the degree to which penetration by the institution in the subject area in a different reported loan category compensates for the relative lack of penetration in the subject area; and
 - f. the degree to which penetration by the institution in other low- and moderate-income geographies within the assessment area(s) in reported loan categories compensates for the relative lack of penetration in the subject area.
8. Review any analyses prepared by or for and offered by the institution for insight into the reasonableness of the institution's distribution of lending by borrower characteristics. Test the accuracy of the data and determine if the analyses are reasonable. If areas of low or no penetration were identified, review explanations and determine whether action was taken to address disparities, if appropriate.
9. Supplement with an independent analysis of the distribution of the institution's lending within the assessment area by borrower characteristics as necessary and applicable. Consider factors such as
- a. the number, dollar amount, and percentage of the institution's total home mortgage loans and consumer loans, if included in the evaluation, to low-, moderate-, middle-, and upper-income borrowers;
 - b. the percentage of the institution's total home mortgage loans and consumer loans, if included in the evaluation, to low-, moderate-, middle-, and upper-income borrowers compared with the percentage of the population within the assessment area who are low-, moderate-, middle-, and upper-income;
 - c. the number and dollar amount of small loans originated to businesses or farms by loan size of less than \$100,000, at least \$100,000 but less than \$250,000, and at least \$250,000 but less than or equal to \$1 million;
 - d. the number and amount of the small loans to businesses or farms that had annual revenues of less than \$1 million compared with the total reported number and amount of small loans to businesses or farms; and
 - e. if the institution adequately serves borrowers within the assessment area(s), whether the distribution of the institution's lending outside of the assessment area based on borrower characteristics would enhance the assessment of the institution's overall performance.
10. Review data on the institution's community development loans using information obtained in the performance context procedures, especially with regard to community credit needs and institutional capacity, to determine
- a. the number and amount of community development loans in
 - i. the institution's assessment area(s); or
 - ii. the broader statewide or regional area that includes the assessment area(s) that support organizations or activities with a purpose, mandate, or function that includes serving the geographies or individuals located within the institution's assessment area(s);

- b. the extent to which community development lending opportunities have been available to the institution;
 - c. the institution's responsiveness to the opportunities for community development lending;
 - d. the extent of leadership the institution has demonstrated in community development lending; and
 - e. the innovativeness or complexity involved.
11. If the institution has been responsive to community development needs and opportunities in its assessment area(s) based on the analysis in step 10, consider
- a. the number and dollar amount of community development loans in the broader statewide or regional area that includes the assessment area(s) but
 - i. will not benefit the assessment area(s); and
 - ii. do not support organizations or activities with a purpose, mandate, or function that includes serving geographies or individuals located within the institution's assessment area(s);
 - b. the extent to which these loans enhance the institution's performance.
 Note: Refer to the appendix for additional guidance on addressing activities at the state, multistate MSA, or institution level.
12. Evaluate whether the institution's performance under the lending test is enhanced by offering innovative loan products or products with more flexible terms to meet the credit needs of low-and moderate-income individuals or geographies. Consider
- a. the degree to which the loans serve low-and moderate-income creditworthy borrowers in new ways or loans serve groups of creditworthy borrowers not previously served by the institution; and
 - b. the success of each product, including number and dollar amount of loans originated during the review period.
13. Discuss with management the preliminary findings in this section.
14. Summarize your conclusions regarding the institution's lending performance under the following criteria:
- a. lending activity;
 - b. geographic distribution;
 - c. borrower characteristics;
 - d. community development lending; and
 - e. use of innovative or flexible lending practices.
15. Prepare comments for the performance evaluation and the compliance examination report. Refer to the appendix for guidance on addressing community development activities in the performance evaluation.

Investment Test

1. Identify qualified investments by reviewing the institution's investment portfolio, and at the institution's option, its affiliate's investment portfolio. As necessary, obtain a prospectus, or other information that describes the investment(s) and the geographic area(s) or population(s) served. This review should encompass qualified investments, including investments in a broader statewide or regional area and in nationwide funds, that were made since the previous examination (including those that have been sold or have matured) and may consider qualified investments made prior to the previous examination still outstanding. Also, consider qualifying grants, donations, or in-kind contributions of property since the last examination that are for community development purposes. Determine
- a. whether the investments have been considered under the lending or service tests; and
 - b. whether an affiliate's investments, if considered, have been claimed by another institution.
2. Evaluate investment performance using information obtained in the performance context procedures, especially with regard to community needs and institutional capacity. Determine
- a. the number and amount of qualified investments in
 - i. the institution's assessment area(s); or
 - ii. the broader statewide or regional area that includes the assessment area(s) that support organizations or activities with a purpose, mandate, or function that includes serving the geographies or individuals located within the institution's assessment area(s);
 Note: A large institution with a nationwide branch footprint typically has many assessment areas in many states. Investments in nationwide funds are likely to benefit such an institution's assessment area(s), or the broader statewide or

regional area that includes its assessment area(s), and provide that institution with the opportunity to match its investments with the geographic scope of its business.

- b. the extent to which qualified investment opportunities have been available to the institution;
 - c. the institution's responsiveness to opportunities for qualified investments;
 - d. the use of any innovative or complex investments, in particular those that are not routinely provided by other investors; and
 - e. the degree to which investments serve low- and moderate-income areas or individuals, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies, and the available opportunities for qualified investments.
3. If the institution has been responsive to community development needs and opportunities in its assessment area(s) based on the analysis in step 2, consider
 - a. the number and dollar amount of qualified investments in the broader statewide or regional area that includes the assessment area(s) but
 - i. will not benefit the assessment area(s); and
 - ii. do not support organizations or activities with a purpose, mandate, or function that includes serving geographies or individuals located within the institution's assessment area(s);
 - b. the extent to which these investments enhance the institution's performance.
Note: Refer to the appendix for additional guidance on addressing activities at the state or multistate MSA, or institution level.
 4. Discuss with management the preliminary findings in this section.
 5. Summarize conclusions about the institution's investment performance after considering
 - a. the number and dollar amount of qualified investments;
 - b. the innovativeness and complexity of qualified investments;
 - c. the degree to which these qualified investments are not routinely provided by other private investors; and
 - d. the responsiveness of qualified investments to available opportunities.
 6. Prepare comments for the performance evaluation

and the compliance examination report. Refer to the appendix for guidance on addressing community development activities in the performance evaluation.

Service Test

Retail Banking Services

1. Determine from information available in the institution's public file
 - a. the distribution of the institution's branches among low-, moderate-, middle-, and upper-income geographies in the institution's assessment area(s); and
 - b. banking services, including hours of operation and available loan and deposit products.
2. Obtain the institution's explanation for any material differences in the hours of operations of, or services available at, branches within low-, moderate-, middle-, and upper-income geographies in the institution's assessment area(s).
3. Evaluate the institution's record of opening and closing branch offices since the previous examination and information that could indicate whether changes have had a positive or negative effect, particularly on low- and moderate-income geographies or individuals.
4. Evaluate the accessibility and use of alternative systems for delivering retail banking services, (e.g., proprietary and nonproprietary ATMs, loan production offices (LPOs), banking by telephone or computer, and bank-at-work or by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals.
5. Assess the quantity, quality and accessibility of the institution's service-delivery systems provided in low-, moderate-, middle-, and upper-income geographies. Consider the degree to which services are tailored to the convenience and needs of each geography (e.g., extended business hours, including weekends, evenings, or by appointment, providing bilingual services in specific geographies, etc.).

Community Development Services

6. Identify the institution's community development services including, at the institution's option, services through affiliates. Hold discussions with management and review available materials. Determine
 - a. whether services have been considered under the lending or investments tests; and
 - b. if provided by affiliates of the institution,

- services are not claimed by other affiliated institutions.
7. Evaluate performance using information obtained in the performance context procedures, especially with regard to community needs and institutional capacity. Determine
 - a. the extent of community development services provided in
 - i. the institution's assessment area(s); or
 - ii. the broader statewide or regional area that includes the assessment area(s) that support organizations or activities with a purpose, mandate, or function that includes serving the geographies or individuals located within the institution's assessment area(s);
 - b. their innovativeness, including whether they serve low- or moderate-income customers in new ways or serve groups of customers not previously served; and
 - c. the degree to which they serve low- or moderate-income areas or individuals and their responsiveness to available opportunities for community development services.
 8. If the institution has been responsive to community development needs and opportunities in its assessment area(s) based on the analysis in step 7, consider
 - a. the extent of community development services in the broader statewide or regional area that includes the assessment area(s) but
 - i. will not benefit the assessment area(s); and
 - ii. do not support organizations or activities with a purpose, mandate, or function that includes serving geographies or individuals located within the institution's assessment area(s);
 - b. the extent to which these services enhance the institution's performance.
Note: Refer to the appendix for additional guidance on addressing activities at the state, multistate MSA, or institution level.
 9. Discuss with management the preliminary findings.
 10. Summarize conclusions about the institution's system for delivering retail banking and community development services, considering
 - a. the distribution of branches among low-, moderate-, middle-, and upper-income geographies;
 - b. the institution's record of opening and

- closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
 - c. the availability and effectiveness of alternative systems for delivering retail banking services;
 - d. the extent to which the institution provides community development services;
 - e. the innovativeness and responsiveness of community development services; and
 - f. the range and accessibility of services provided in low-, moderate-, middle-, and upper-income geographies.
11. Prepare comments for the performance evaluation and the compliance examination report. Refer to the appendix for guidance on addressing community development activities in the performance evaluation.

Ratings

1. Group the analyses of the assessment areas examined by MSA and nonmetropolitan areas within each state where the institution has branches.³ If an institution has branches in two or more states of a multistate MSA, group the assessment areas that are in that multistate MSA.
2. Summarize conclusions regarding the institution's performance in each MSA and nonmetropolitan portion of each state with an assessment area that was examined using these procedures. If two or more assessment areas in an MSA or in a nonmetropolitan portion of a state were examined using these procedures, determine the relative significance of the institution's performance in each assessment area by considering
 - a. the significance of the institution's lending, qualified investments, and lending-related services in each compared to
 - i. the institution's overall activities;
 - ii. the number of other institutions and the extent of their activities; and
 - iii. the lending, investment, and service opportunities in each;
 - b. demographic and economic conditions in each.
3. Evaluate the institution's performance in those assessment area(s) not selected for examination using the full-scope procedures.

³ The reference to MSA may also reference MD.

- a. Revisit the demographic and lending, investment, and service data considered in scoping the examination. Also, consider the institution's operations (branches, lending portfolio mix, etc.) in the assessment area(s).
 - b. Through a review of the public file(s), consider any services that are customized to the assessment area(s).
 - c. Consider any other information provided by the institution (e.g., CRA self-assessment) regarding its performance in the area.
4. For MSAs, and the nonmetropolitan portion of the state, where one or more assessment areas were examined using the full-scope procedures, ensure that performance in the assessment area(s) not examined using the full-scope procedures is consistent with the conclusions based on the assessment area(s) examined in step 2, above. Select one of the following options for inclusion in the performance evaluation:
 - a. the institution's [lending, investment, service] performance in [the assessment area/these assessment areas] is consistent with the institution's [lending, investment, service] performance in the assessment areas within [the MSA/nonmetropolitan portion of the state] that were reviewed using the examination procedures;
 - b. the institution's [lending/investment/service] performance in [the assessment area/these assessment areas] [exceeds/is below] the [lending/investment/service] performance in the assessment areas within [the MSA/nonmetropolitan portion of the state] that were reviewed using the examination procedures; however, it does not change the conclusion for the [MSA/nonmetropolitan portion of the state].
 5. For MSA, and nonmetropolitan portions of the state, where no assessment area was examined using the full-scope procedures, form a conclusion regarding the institution's lending, investment, and service performance in the assessment area(s). When there are several assessment areas in the MSA, or the nonmetropolitan portion of the state, form a conclusion regarding the institution's performance in the MSA, or the nonmetropolitan portion of the state. Determine the relative significance of the institution's performance in each assessment area within the MSA, or the nonmetropolitan portion of the state, by considering
 - a. the significance of the institution's lending, qualified investments, and lending-related services in each compared to the institution's overall activities;
 - b. demographic and economic conditions in each.
 6. Also, select one of the following options for inclusion in the performance evaluation:
 - a. the institution's [lending, investment, service] performance in [the assessment area/these assessment areas] is consistent with the institution's [lending, investment, service] performance [overall/in the state];
 - b. the institution's [lending/investment/service] performance in [the assessment area/these assessment areas] [exceeds/is below] the [lending/investment/service] performance for the [institution/state]; however, it does not change the [institution's/state] rating.
 7. Determine the relative significance of each MSA and nonmetropolitan area to the institution's overall performance (institutions operating in one state) or statewide or multistate MSA performance (institutions operating in more than one state). Consider
 - a. the significance of the institution's lending, qualified investments, and lending-related services in each compared to
 - i. the institution's overall activities;
 - ii. the number of other institutions and the extent of their activities; and
 - iii. the lending, investment, and service opportunities in each;
 - b. demographic and economic conditions in each.
 8. When determining the state or multistate MSA rating, as applicable, consider
 - a. community development loans and services and qualified investments in the institution's assessment area(s) in the state or multistate MSA;
 - b. community development loans and services and qualified investments
 - i. in the broader statewide or regional area that includes the institution's assessment area(s) in the state or multistate MSA; and
 - ii. that support organizations or activities with a purpose, mandate, or function that includes serving individuals or geographies in the institution's assessment area(s); and
 - c. if the institution has been responsive to community development needs and opportunities in its assessment area(s) based on the analysis in steps 8a and 8b, consider

Table 1. Component test ratings

Component test ratings	Points for lending	Points for investment	Points for service
Outstanding	12	6	6
High satisfactory	9	4	4
Low satisfactory	6	3	3
Needs to improve	3	1	1
Substantial noncompliance	0	0	0

- any community development loans and services and qualified investments in the broader statewide or regional area that includes the institution's assessment area(s) in the state or multistate MSA that
- i. will not benefit the assessment area(s); and
 - ii. do not support organizations or activities with a purpose, mandate, or function that includes serving geographies or individuals located within the institution's assessment area(s).
9. Using the component test ratings chart, above, assign component ratings that reflect the institution's lending, investment, and service performance. In the case of an institution with branches in just one state, one set of component ratings will be assigned to the institution. In the case of an institution with branches in two or more states and multistate MSAs, component ratings will be assigned for each state or multistate MSA reviewed.
 10. Assign a preliminary composite rating for the institutions operating in only one state and a preliminary rating for each state or multistate MSA reviewed for institutions operating in more than one state. In assigning the rating, sum the numerical values of the component test ratings for the lending, investment, and service tests and refer to the composite rating chart below. No institution, however, may receive an assigned rating of "satisfactory" or higher unless it receives a rating of at least "low satisfactory" on the lending test. In addition, an institution's assigned rating can be no more than three times the score on the lending test.
 11. Consider an institution's past performance if the prior rating was "needs to improve." If the poor performance has continued, an institution could be considered for a "substantial noncompliance" rating.
 12. For institutions with branches in more than one state or multistate MSA, assign a preliminary overall rating.
 - a. To determine the relative importance of each state and multistate MSA to the institution's overall rating, consider
 - i. the significance of the institution's lending, qualified investments, and lending-related services in each compared to
 1. the institution's overall activities;
 2. the number of other institutions and the extent of their activities in each; and
 3. the lending, investment, and service opportunities in each;
 - ii. demographic and economic conditions in each.
 - b. Consider the community development loans and services and qualified investments that meet the geographic requirements and that have not been considered in assigning state or multistate MSA ratings. For example, a qualified investment in a regional or nationwide fund that meets the geographic requirements and benefits more than one state, but was not considered because the benefits are not attributable to a particular state or multistate MSA, would be considered at the overall institution level.
 13. Review the results of the most recent compliance examination and determine whether evidence of discriminatory or other illegal credit practices that violate an applicable law, rule, or regulation should lower the institution's preliminary overall CRA rating, or the preliminary CRA rating for a state or multistate MSA.⁴ If evidence of discrimination or other illegal credit practices by the institution in any geography, or in any assessment area by any affiliate whose loans have been considered as part of the bank's

Table 2. Composite rating

Composite rating	Points needed
Outstanding	20+
Satisfactory	11-19
Needs to improve	5-10
Substantial noncompliance	0-4

4. "Evidence of discriminatory or other illegal credit practices" includes, but is not limited to: (a) discrimination against applicants on a prohibited basis in violation, for example, of the Equal Credit Opportunity Act or the Fair Housing Act; (b) violations of the Home Ownership and Equity Protection Act; (c) violations of section 5 of the Federal Trade Commission Act; (d) violations of section 8 of the Real Estate Settlement Procedures Act; and (e) violations of the Truth in Lending Act regarding a consumer's right of rescission.

lending performance, was found, consider the following:

- a. the nature, extent, and strength of the evidence of the practices;
 - b. the policies and procedures that the institution (or affiliate, as applicable) has in place to prevent the practices;
 - c. any corrective action the institution (or affiliate, as applicable) has taken, or has committed to take, including voluntary corrective action resulting from self-assessment; and
 - d. any other relevant information.
14. Assign final overall rating to the institution. Consider
- a. the preliminary rating; and
 - b. any evidence of discriminatory or other illegal credit practices, and discuss conclusions with management.
15. Write comments and conclusions and create charts and tables reflecting area demographics; the institution's operation; and its lending, investment, and service activity in each assessment area for inclusion in the performance evaluation.
16. Prepare recommendations for supervisory strategy and matters that require attention for follow-up activities.

- c. a map of each assessment area showing its boundaries, and on the map or in a separate list, the geographies contained within the assessment area;
- d. a list of the institution's branches, branches opened and closed during the current and each of the prior two calendar years, and their street addresses and geographies;
- e. a list of services (loan and deposit products and transaction fees generally offered, and hours of operation at the institution's branches), including a description of any material differences in the availability or cost of services between these locations;
- f. the institution's CRA disclosure statements for the prior two calendar years;
- g. a quarterly report of the institution's efforts to improve its record if it received a less-than-satisfactory rating in its most recent CRA performance evaluation;
- h. the HMDA Disclosure Statement for the prior two calendar years for the institution and for each nondepository affiliate the institution has elected to include in assessment of its CRA record, if applicable; and
- i. if applicable, the number and amount of consumer loans made to the four income categories of borrowers and geographies (low, moderate, middle, and upper), and the number and amount located inside and outside of the assessment area(s).

Public File Checklist

1. There is no need to review each branch or each complete public file during every examination. In determining the extent to which the institution's public files will be reviewed, consider the institution's record of compliance with the public file requirements in previous examinations; its branching structure and changes to it since its last examination; complaints about the institution's compliance with the public file requirements, and any other relevant information.
2. In any review of the public file undertaken, determine, as needed, whether branches display an accurate public notice in their lobbies and the file(s) in the main office and in each state contains
 - a. all written comments from the public relating to the institution's CRA performance and responses to them for the current and preceding two calendar years (except those that reflect adversely on the good name or reputation of any persons other than the institution);
 - b. the institution's most recent CRA performance evaluation;
3. In any branch review undertaken, determine whether the branch provides the most recent performance evaluation and a list of services generally available at its branches and a description of any material differences in availability or cost of services at the branch (or a list of services available at the branch).

Appendix A. Community Development Activities

Qualified community development (CD) activities in the assessment area (AA) or the broader statewide or regional area that includes the AA(s)

Initial level activity is considered during the evaluation

Has a purpose, mandate, or function that includes serving the AA

Specific AA when an activity benefits and is targeted to the AA.

State/multistate MSA when an activity benefits or is

targeted to two or more AAs, or the state or multistate MSA.

Institution level when an activity benefits or is targeted to

- a regional area of two or more states not in a multistate MSA, or
- a regional area that includes, but is larger than, one multistate MSA.

Does not have a purpose, mandate, or function that includes serving the AA

If the institution has been responsive to CD needs and opportunities in its AA(s), these activities may enhance performance at the state, multistate MSA, or institution level as applicable.

State/multistate MSA when the activity benefits geographies or individuals located in a state or multistate MSA where the bank has one or more defined AA.

Institution level when the activity is in the broader regional area that includes the bank's AA(s).

Note: It is not appropriate to assign activities to a specific AA or state unless the bank can demonstrate the activity benefitted, and was targeted to, the AA or state.

PE comments

Specific AA—Discuss conclusions regarding evaluation of the level of activity. Comment on the quantitative measure of the loan/investment/service and the qualitative aspects that augmented performance levels.

State/multistate MSA—Discuss conclusions regarding evaluation of the level of activity. Comment on the quantitative measure of all loans, investments, and services in all the AA(s) in the state or multistate MSA combined. Include statewide and regional

activities that contribute to the state/multistate MSA's overall assessment and indicate if related amounts are in addition to or included in specific AA discussions or tables. Explain if loans, investments, and/or services for any AA were given greater weight than others and why. Comment generally on qualitative aspects that augmented performance, such as responsiveness to need, degree of innovation, or complexity.

Institution level—Discuss conclusions regarding evaluation of the level of activity. Comment on the quantitative measure of all loans, investments, and services in all states and multistate MSAs combined. Include regional and nationwide activities that contribute to the institution's overall assessment and indicate if related amounts are in addition to or included in the specific state or multistate MSA discussions or tables. Explain if loans, investments, and/or services for any state or multistate MSA were given greater weight than others and why. Comment generally on qualitative aspects that augmented performance, such as responsiveness to need, degree of innovation, or complexity.

Show in tables (when used)

Specific AA—Include qualified activities the bank can demonstrate directly benefit or target the AA.

State/multistate MSA—Separate line for qualified activities that support an organization or activity that covers an area that is larger than, but includes the institution's AA, and has not been attributed to a specific AA. Include regional activities and nationwide investments that benefit, or are targeted to, a specific state or multistate MSA.

Institution level—Separate lines for (1) regional and (2) nationwide activities that were not otherwise attributed to a specific AA, state, or multistate MSA.

Large Institutions Ratings Matrixes

Lending-Test Matrix

Characteristic	Outstanding	High Satisfactory	Low Satisfactory	Needs to Improve	Substantial Noncompliance
Lending activity	Lending levels reflect excellent responsiveness to assessment-area credit needs.	Lending levels reflect good responsiveness to assessment-area credit needs.	Lending levels reflect adequate responsiveness to assessment-area credit needs.	Lending levels reflect poor responsiveness to assessment-area credit needs.	Lending levels reflect very poor responsiveness to assessment-area credit needs.
Assessment-area (s) concentration	A substantial majority of loans are made in the institution's assessment area(s).	A high percentage of loans are made in the institution's assessment area(s).	An adequate percentage of loans are made in the institution's assessment area(s).	A small percentage of loans are made in the institution's assessment area(s).	A very small percentage of loans are made in the institution's assessment area(s).
Geographic distributions of loans	The geographic distribution of loans reflects excellent penetration throughout the assessment area(s).	The geographic distribution of loans reflects good penetration throughout the assessment area(s).	The geographic distribution of loans reflects adequate penetration throughout the assessment area(s).	The geographic distribution of loans reflects poor penetration throughout the assessment area(s), particularly to low- or moderate-income geographies in the assessment area(s).	The geographic distribution of loans reflects very poor penetration throughout the assessment area(s), particularly to low- or moderate-income geographies in the assessment area(s).
Borrowers' profile	The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and among business customers of different sizes.	The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and among business customers of different sizes.	The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and among business customers of different sizes.	The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and among business customers of different sizes.	The distribution of borrowers reflects, given the product lines offered by the institution, very poor penetration among retail customers of different income levels and among business customers of different sizes.

Lending-Test Matrix—continued

Characteristic	Outstanding	High Satisfactory	Low Satisfactory	Needs to Improve	Substantial Noncompliance
Responsiveness to credit needs of highly economically disadvantaged geographies and to low-income persons and small business	The institution exhibits an excellent record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits a good record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits an adequate record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits a poor record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits a very poor record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
Community development lending activities	The institution is a leader in making community development loans.	The institution has made a relatively high level of community development loans.	The institution has made an adequate level of community development loans.	The institution has made a low level of community development loans.	The institution has made few, if any, community development loans.
Product innovation	The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment-area credit needs.	The institution uses innovative and/or flexible lending practices in order to serve assessment-area credit needs.	The institution makes limited use of innovative and/or flexible lending practices in order to serve assessment-area credit needs.	The institution makes little use of innovative and/or flexible lending practices in order to serve assessment-area credit needs.	The institution makes no use of innovative and/or flexible lending practices in order to serve assessment-area credit needs.

Investment-Test Matrix

Characteristic	Outstanding	High Satisfactory	Low Satisfactory	Needs to Improve	Substantial Noncompliance
Investment and grant activity	The institution has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.	The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.	The institution has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.	The institution has a poor level of qualified community development investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.	The institution has a few, if any, qualified community development investments or grants, particularly those that are not routinely provided by private investors.
Responsiveness to credit and community development needs	The institution exhibits excellent responsiveness to credit and community economic development needs.	The institution exhibits good responsiveness to credit and community economic development needs.	The institution exhibits adequate responsiveness to credit and community economic development needs.	The institution exhibits poor responsiveness to credit and community economic development needs.	The institution exhibits very poor responsiveness to credit and community economic development needs.
Community development initiatives	The institution makes extensive use of innovative and/or complex investments to support community development initiatives.	The institution makes significant use of innovative and/or complex investments to support community development initiatives.	The institution occasionally uses innovative and/or complex investments to support community development initiatives.	The institution rarely uses innovative and/or complex investments to support community development initiatives.	The institution does not use innovative and/or complex investments to support community development initiatives.

Service-Test Matrix

Characteristic	Outstanding	High Satisfactory	Low Satisfactory	Needs to Improve	Substantial Noncompliance
Accessibility of delivery systems	Delivery systems are readily accessible to all portions of the institution's assessment area(s).	Delivery systems are accessible to essentially all portions of the institution's assessment area(s).	Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area(s).	Delivery systems are accessible to limited portions of the institution's assessment area(s).	Delivery systems are inaccessible to significant portions of the assessment area(s), particularly low- and moderate-income geographies and/or low- and moderate-income individuals.
Changes in branch locations	To the extent changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's opening and closing of branches has significantly adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
Reasonableness of business hours and services in meeting assessment-area(s) needs	Services (including where appropriate, business hours) are tailored to the convenience and needs of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.	Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.	Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.	Services (including, where appropriate, business hours) vary in a way that inconveniences certain portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.	Services (including, where appropriate, business hours) vary in a way that significantly inconveniences many portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.
Community development services	The institution is a leader in providing community development services.	The institution provides a relatively high level of community development services.	The institution provides an adequate level of community development services.	The institution provides a limited level of community development services.	The institution provides few, if any, community development services.

Large Institutions Format Guidance for Public Disclosure of Examination Results

This following guidance was transmitted in CA 02-7 (June 13, 2002). The guidance may be applied to the new large-bank performance evaluation templates transmitted in CA 05-7 (September 16, 2005).

Large Institution Performance Evaluation
September 2000

Federal Reserve Bank Guidance
June 2002

SAMPLE LARGE INSTITUTION EVALUATION

PUBLIC DISCLOSURE

(Date of Evaluation)

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Depository Institution

Institution's Identification Number

Address of Institution

Name of Supervisory Agency

Address of Supervisory Agency

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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NOTE

This table of contents is a sample for a large, multistate institution, and should be adjusted, as appropriate, to reflect the scope of the institution's operations. Refer to the Instructions for Writing Public Evaluations for further guidance.

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INSTITUTION'S RATING

INSTITUTION'S CRA RATING: Name of financial institution is rated "[**BOLDFACE CAPS**]."

The following table indicates the performance level of name of financial institution with respect to the lending, investment, and service tests. [Indicate the performance level under each criteria by marking an "X" in the appropriate row.]

PERFORMANCE LEVELS	NAME OF FINANCIAL INSTITUTION		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

Summarize the major factors supporting the institution's rating. When illegal discrimination or discouragement has been identified and has affected the rating, the summary should include a statement that the rating was influenced by violations of the substantive provisions of the antidiscrimination laws. The summary should not mention any technical violations of the antidiscrimination laws.

NOTE

Present a bullet point **summary of the major factors supporting the institution's rating** with respect to each test.

INSTITUTION

DESCRIPTION OF INSTITUTION

Write a brief description of the institution. Include relevant information regarding the institution's holding company and affiliates, if any, the states and assessment areas served, the institution's ability to meet various credit needs based on its financial condition and size, product offerings, prior performance, legal impediments and other factors. Other information that may be important includes total assets, asset/loan portfolio mix, primary business focus, branching network, and any merger or acquisition activity.

NOTE

In addition to the above, remember: (1) When describing the bank's assessment areas, indicate if there has been any change in assessment areas since the prior examination. If so, explain the changes briefly with any necessary details. (2) A conclusion must be stated regarding the bank's ability to meet the various credit needs in its assessment areas but do not disclose confidential information, in accordance with the prohibition in 12 CFR 261.2(c)(1)(i). (3) You may include a map of the bank's assessment areas in an appendix.

SCOPE OF EXAMINATION

NOTE

Scope information orients the reader and, when presented here, eliminates repetition later in the document. At a minimum, the following items should be discussed: the specific lending products reviewed; the names of any affiliates reviewed and their corresponding lending, investment or service activities; the institution's assessment areas and whether its activities in the assessment areas were reviewed using the full examination procedures; and the period covered in the review. Indicate if any products or assessment areas were given greater weight in reaching conclusions. Indicate that the information presented here pertains throughout the evaluation unless specifically noted otherwise.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Discuss the institution's overall CRA performance. The facts, data and analyses that were used to form a conclusion about the rating should be reflected in the narrative, including institution strengths and areas for improvement. The narrative should clearly demonstrate how the results of each of the performance test analyses and relevant information from the performance context factored into the overall institution rating. Charts and tables should be used whenever possible to summarize and effectively present the most critical or informative data used by the examiner in analyzing the institution's performance and reaching conclusions.

Write a paragraph about the institution's record of complying with the antidiscrimination laws (ECOA, FHA, or HMDA) using the following guidelines.

When substantive violations involving illegal discrimination or discouragement are found by the [Agency] or identified through self-assessment(s), state that substantive violations were found, whether they caused the CRA rating to be adjusted downward, and why the rating was or was not adjusted. Identify the law(s) and regulations(s) violated, the extent of the violation(s) (for example, widespread, or limited to a particular state, office, division, or subsidiary) and characterize management's responsiveness in acting upon the violation(s). Determine whether the institution has policies, procedures, training programs, internal assessment efforts, or other practices in place to prevent discriminatory or other illegal credit practices.

If no substantive violations were found, state that no violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Even if discrimination has not been found, comments related to the institution's fair lending policies, procedures, training programs and internal assessment efforts may still be appropriate. If applicable, technical violations cited in the report of

examination should be presented in general terms. Discuss whether management has [proposed/taken] steps that [have/would if implemented] address(ed) the technical violation(s).

NOTE

Use the following format for the discussion:

LENDING TEST

State the rating (for example, “outstanding,” “high satisfactory,” “low satisfactory”) with respect to the lending test and provide a brief explanation to support the rating. This explanation should include the ratings of the states or conclusions about the full-scope MSAs, whichever is applicable, evaluated at the examination. Explain when any areas were given greater weight than others were.

Lending Activity: State the conclusion (for example, “excellent,” “good,” “adequate”) regarding lending activity. Use the Total Lending Activity Table below to show the total number and dollar value of all applicable loans originated or purchased by the bank and its affiliates. (Adjust table if consumer or other loan types are being evaluated.) If no affiliate lending is included, do not use the Total Lending Activity Table. Instead, refer to the combined totals from the Assessment Area Lending Table discussed below.

EXHIBIT 1
Summary of Lending Activity

Loan Type	#	%	\$(000s)	%
HMDA home purchase	3,994	--	758,385	--
HMDA refinancings	2,081	--	399,258	--
HMDA home improvement	626	--	2,831	--
HMDA multifamily	52	--	130,041	--
Total HMDA-related	6,753	68	1,290,515	75
Total small business	3,239	32	424,913	25
TOTAL LOANS	9,992	100	\$1,715,428	100

Note: Affiliate loans include only loans originated or purchased within the bank’s assessment areas.

Assessment Area Concentration: Discuss the level of lending activity inside and outside all the bank’s assessment areas, using the Assessment Area Lending Table below. (Adjust the table if small farm, consumer, or other loan types are being evaluated.) It is not necessary to state a conclusion regarding assessment area concentration since this is factored into the overall lending activity conclusion. Provide a discussion if there is a high level of lending outside the assessment area. Refer to Core Table 1: Lending Volume, for additional information about assessment area lending.

EXHIBIT 2
Lending Inside and Outside the Assessment Area

	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
HMDA home improvement	617	99	2,786	98	9	1	45	2
HMDA multifamily	45	87	111,581	86	7	13	18,460	14
Total HMDA-related	662	98	114,367	86	16	2	18,505	14
Total small business	3,180	98	414,159	97	59	2	10,754	3
TOTAL LOANS	3,842	98	\$528,526	98	75	2	\$29,259	5

Note: Affiliate loans not included.

Geographic and Borrower Distribution: State a conclusion (for example, “excellent,” “good,” “adequate”) regarding each of these elements of the lending test. Remember that overall conclusions are based on performance in the various assessment areas. It is not necessary to recalculate geographic and borrower distribution data for all the bank’s assessment areas combined. Support your conclusions by specifying the ratings/conclusions in the various assessment areas states or MAs (as applicable) that were factored into the conclusions about the bank’s overall performance. Discuss performance in general. Detailed discussions should be reserved for assessment area write-ups.

With respect to geographic distribution, note whether or not any significant lending gaps in contiguous geographies unexplained by performance context were found. If there were such lending gaps indicate in which assessment area(s) they occurred and include a cross-reference to the appropriate section of the evaluation.

In addition, discuss any significant qualitative aspects that may have augmented the bank’s overall geographic or borrower performance. This can include innovative or flexible lending practices or products that are available in all assessment areas. Describe the product or practice briefly and indicate in what way it assisted low- and moderate-income (LMI) geographies and/or LMI borrowers. State the volume of loans originated through the programs and that they are included in the overall volume of loans evaluated. If the products or practices are unique to specific states or assessment areas, they should be mentioned only briefly, and the reader should be directed to the appropriate section of the evaluation for a more detailed discussion.

Community Development Lending: State a conclusion about the level of community development lending (for example, “the bank is a leader,” “its level of . . . is relatively high,” “its level of . . . is adequate”) overall and in states or full-scope MAs, whichever is applicable. Note if any activity was outside the bank’s assessment area and explain why such activity was given consideration. Explain when any areas were given greater weight than others were. Refer as appropriate to issues relating to performance context and availability of opportunities. Provide the total of community development loans (number and dollar amount) in all the bank’s assessment areas combined. Similarly, provide these totals for “other community development lending activity” that was considered, such as letters of credit. Include general comments and specific examples of qualitative aspects of the activity that may have augmented performance, such as responsiveness to need, degree of innovation, or complexity. Other than in the examples, details about the qualitative aspects of the loans should be presented in the discussions of the state or assessment area where the loans are located. Refer to Core Table 1 for information on the level of community development lending in the individual assessment areas.

INVESTMENT TEST

State the rating (for example, “outstanding,” “high satisfactory,” “low satisfactory”) with respect to the investment test overall and provide a brief explanation to support this rating. This explanation should include the ratings of the states or conclusions about full-scope MAs, whichever is applicable. Note if any activity was outside the bank’s assessment area and explain why such activity was given consideration. Explain when any areas were given greater weight than others were. Provide the total amount of investments (number and dollar amount) in all the assessment areas combined, and state a conclusion (for example, “excellent,” “significant,” “adequate”) regarding the level of activity. Note if any investments were given greater weight than others were and explain why. Give the details of any investments that assist the overall, regional, or multiple assessment areas. Indicate if the amounts of such investments are in addition to or included in the specific assessment area activity shown in Core Table 14, which should be cross-referenced. Make general comments and provide specific examples of the qualitative aspects that may have augmented performance, such as responsiveness to need, degree of innovation, or complexity. Other than in the examples, details about the qualitative aspects of investments should be presented in the discussions of the state or assessment area to which the investments relate.

SERVICE TEST

State the rating (for example, “outstanding,” “high satisfactory,” “low satisfactory”) with respect to the service test. Support your rating by specifying the ratings/conclusions in the various assessment areas (states or MAs as applicable) that were factored into the conclusions about the bank’s overall performance. State general conclusions regarding each element of the retail service portion as well as the community development service portion of the test, using the terminology of Appendix A to Regulation BB, which describes the various performance levels. Detailed discussions should be reserved for assessment area write-ups. However, if there are particular assessment areas in which performance was exceptionally good or bad, you may mention the assessment area(s) and provide a cross-reference to the section of the evaluation in which detailed information is presented. Products should be described generally, and a statement should be made that they are available as described throughout all the assessment areas unless otherwise noted.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

As previously noted, write a paragraph about the institution’s record of complying with the antidiscrimination laws. Use the guidelines on page 3.

MULTISTATE METROPOLITAN AREA

CRA RATING FOR (Name of Multistate Metropolitan Area, Including State Names):¹

The lending test is rated:

The investment test is rated:

The service test is rated:

[Complete for each multistate metropolitan area where an institution has branches in two or more states within the multistate metropolitan area.]

Summarize the major factors supporting the institution's multistate metropolitan area rating. When illegal discrimination or discouragement has been identified and has affected the rating, the conclusion should include a statement that the rating was influenced by violations of the substantive provisions of the antidiscrimination laws. The conclusion should not mention any technical violations of the antidiscrimination laws.

NOTE

Present a bullet point summary supporting the ratings with respect to each test.

SCOPE OF EXAMINATION

Write a short description of the scope of the examination within the multistate MA. Discuss how CRA activities in the multistate MA were reviewed (using the examination procedures or through an analysis of available facts and data), and the time period covered in the review.

NOTE

In addition to the above, indicate any variance from the information presented in the scope section of the institution portion of this document and explain the reason(s) for the variance. If there is more than one assessment area in the multistate metropolitan area, refer to the state and metropolitan area portions of this document for guidance.

¹ This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained within the multistate metropolitan area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN (NAME OF MULTISTATE METROPOLITAN AREA)

Describe the institution's operations within the multistate metropolitan area, including a description of each of the assessment area(s) that it serves within the multistate metropolitan area. Information that may be important includes: total assets; asset/loan portfolio mix; primary business focus; branching network; and any merger or acquisition activity. For each of the assessment areas served, include key information such as the number of branches within the assessment area and the number of individuals and geographies in each income category. Indicate how many of those assessment areas were reviewed using the examination procedures.

Other information that may be important includes population trends, type and condition of housing stock, available employment, and general business activity. Also include a summary of any credit needs identified and particular lending opportunities which were noted. Discuss, if appropriate, the number and kinds of CRA-related community contacts that were consulted and relevant information obtained and used, if any, in the CRA evaluation. Typically, more detailed information will be presented for assessment areas reviewed using the examination procedures. Charts and tables may be used to effectively present information as appropriate, particularly for assessment areas that are not reviewed using the examination procedures.

NOTE

In addition to the above, identify the states, counties and major cities that constitute the MA and provide the following data: total deposits in the MA, MA deposits as a percentage of the state's overall total deposits, and the institution's deposit share in the MA. Discuss qualitative aspects that may have influenced the bank's performance, such as the level of competition and length of time in the market. Insert the demographic information table below, which provides most demographic details. In addition, discuss HUD adjusted-income ranges, unemployment rates and major employers, and provide an overview of the economy together with any other relevant performance context information you used, including information obtained from community contacts.

EXHIBIT 3
Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	39	14.6	37,694	7.8	15,579	41.3	113,168	23.3
Moderate-income	57	21.3	90,481	18.6	20,899	23.1	79,578	16.4
Middle-income	96	36.0	192,219	39.6	23,846	12.4	93,094	19.2
Upper-income	75	28.1	164,819	34.0	8,355	5.1	199,373	41.1
Total Assessment Area	267	100.0	485,213	100.0	68,679	14.2	485,213	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	71,485	12,252	3.3	17.1	50,122	70.1	9,111	12.7
Moderate-income	150,066	48,351	12.9	32.2	87,510	58.3	14,205	9.5
Middle-income	292,074	153,540	40.8	52.6	110,334	37.8	28,200	9.7
Upper-income	257,663	161,863	43.0	62.8	68,383	26.5	27,417	10.6
Total Assessment Area	771,288	375,006	100.0	48.8	316,349	41.0	78,933	10.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	8,402	10.1	7,096	9.9	1,306	10.9	0	--
Moderate-income	15,865	19.0	13,177	18.4	2,688	22.5	0	--
Middle-income	25,892	31.0	23,028	32.2	2,864	23.9	0	--
Upper-income	33,388	40.0	28,274	39.5	5,114	42.7	0	--
Tract not reported	0	0.0	0	0.0	0	0	0	--
Total Assessment Area	83,547	100.0	71,575	100.0	11,972	100.0	0	--
	Percentage of Total Business:		85.7		14.3			

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
(NAME OF MULTISTATE METROPOLITAN AREA)**

Discuss the institution's CRA performance within the multistate metropolitan area, including institution strengths and areas for improvement. The narrative should clearly demonstrate how the results of each of the performance test analyses factored into the rating. Support your conclusions with an analysis of facts and data, such as the number and volume of loans and investments, by type, across geographies and borrower categories in the assessment areas reviewed using the examination procedures. In addition, support your conclusions with a discussion of facts and data for assessment areas reviewed using the limited examination procedures when appropriate. Indicate whether the institution's performance in the assessment areas reviewed without using the examination procedures is consistent with the institution's record in assessment areas reviewed using the examination procedures in the multistate metropolitan area. Charts and tables should be used whenever possible to summarize and effectively present the most critical or informative data used by the examiner in analyzing the institution's performance and reaching conclusions.

NOTE

The discussion of conclusions should reflect the following format:

LENDING TEST

State a rating with respect to the lending test (for example, “outstanding,” “high satisfactory,” “low satisfactory”) and briefly explain the basis for the rating.

Lending Activity: State a conclusion (for example, “excellent,” “good,” “adequate”) regarding lending activity and refer to Core Table 1: Lending Volume for details. Explain the basis of your conclusion, and, as applicable, include performance context information.

Geographic Distribution: State a conclusion (for example, “excellent,” “good,” “adequate”) regarding the overall geographic distribution of loans and refer to Core Tables 2 through 7 and Table 13, as applicable, for details. Explain the basis of your conclusion, with reference to applicable performance context and community contact information. Discuss performance with respect to each of the following loan products, as applicable: HMDA-related (for example, home purchase loans, refinancings) small business, small farm, and consumer. For each product category:

1. State a conclusion (for example, “excellent,” “good,” “adequate”) concerning the evaluation of performance in relation to the appropriate demographic and aggregate data contained in the core tables, and insert key numbers as necessary.
2. Discuss separately performance in LMI geographies.
3. Discuss any significant lending gaps in contiguous geographies.
4. Discuss any qualitative aspects of lending performance that may have augmented performance, such as innovative or flexible lending practices or products. Products or practices already discussed in detail at the institution level should be mentioned only briefly. However, for those products or practices unique to the multistate metropolitan area, provide a more detailed description of the product(s) or practice(s) and indicate in what way LMI geographies were assisted. Include information on the volume of loans originated through the programs and indicate that the loans are included in the overall volume of loans evaluated.

Distribution by Borrower Income and Revenue Size of the Business: State a conclusion (for example, “excellent,” “good,” “adequate”) regarding the overall distribution of loans by borrower income and revenue size of the business. Refer to Core Tables 8 through 13, as applicable, for details. Explain the basis of your conclusion, and include applicable performance context and community contact information. Discuss separately performance with respect to HMDA-related, small business loans, consumer and small farm loans, as applicable. For each product category:

1. State a conclusion (for example, “excellent,” “good,” “adequate”) regarding the evaluation of performance in relation to the appropriate demographic and aggregate information provided in the tables, using key numbers as necessary.
2. For HMDA-related and consumer loans, discuss performance separately in relation to LMI borrowers.
3. Discuss any qualitative aspects of lending performance that may have augmented performance levels, such as innovative or flexible lending practices or products. Products or practices already discussed in detail at the institution level should be mentioned only briefly. However, for those products or practices unique to the multistate metropolitan area, provide general descriptions of the product(s) or practice(s) and indicate in what way LMI borrowers were assisted. Include information about the volume of loans originated through the programs and indicate that the loans are included in the overall volume of loans evaluated.

Community Development Loans: State a conclusion about the level of community development lending (for example, “the bank is a leader,” “makes a relatively high level of” or, “makes an adequate level of . . .”) and refer as appropriate to issues relating to performance context and availability of opportunities. State the total of community development loans (number and dollar amount) in the multistate area, and reference Core Table 1 for loan volume in the individual assessment areas. In addition, state the total in the multistate area of “other community development activity” considered, such as letters of credit. Provide details on and specific examples of the qualitative aspects that may have augmented performance, such as responsiveness to need, degree of innovation, or complexity.

INVESTMENT TEST

State a rating (for example, “outstanding,” “high satisfactory,” “low satisfactory”) with respect to the investment test. Note the combined total, in number and dollar amount, of all investments in the MA assessment area, and direct the reader to Core Table 14 for MA details. Note if any investments were given greater weight than others were and explain why. Comment on the qualitative aspects that may have augmented performance, such as responsiveness to need, degree of innovation, or complexity. Provide significant examples of qualified investments to substantiate your conclusions.

SERVICE TEST

State a rating (for example, “outstanding,” “high satisfactory,” “low satisfactory”) with respect to the overall service test and briefly explain the basis for the rating.

Retail Services

For retail services, state a conclusion regarding each of the following items. Use the terminology of Appendix A of Regulation BB for describing the various performance levels:

1. Accessibility of branches, with a reference to Core Table 15 for details and a comparison of branch locations with the population information provided in the table.
2. Availability of alternative delivery systems that may effectively enhance service to LMI geographies or persons.
3. Changes in branch locations (as shown in Table 15) and the impact on LMI geographies or persons.
4. Reasonableness of services if it differs from the overall.

Community Development Services

State a conclusion (for example, “leader in providing,” “provides a relatively high level”) regarding community development services and provide details and specific examples representative of the institution’s activity.

STATE

CRA RATING FOR (Name of State):²

The lending test is rated:

The investment test is rated:

The service test is rated:

[Complete for each state in which an institution has branches if the institution has branches in two or more states. For an institution that has branches in only one state, complete the Metropolitan Area and Non-Metropolitan Statewide Area presentations only for that state, as applicable in light of the location of the branches.]

Summarize the major factors supporting the institution's state rating. When illegal discrimination or discouragement has been identified and has affected the rating, the conclusion should include a statement that the rating was influenced by violations of the substantive provisions of the antidiscrimination laws. The conclusion should not mention any technical violations of the antidiscrimination laws.

NOTE

Present a bullet point summary to support the ratings with respect to each test.

SCOPE OF EXAMINATION

Write a short description of the scope of the examination within the state. Discuss how CRA activities in the state were reviewed (which metropolitan areas or non-metropolitan statewide areas included assessment areas that were reviewed using the full examination procedures and which metropolitan areas were reviewed through an analysis of available facts and data), and the time period covered in the review.

NOTE

In addition to the above, indicate any variance from the information presented in the scope section of the institution portion of the document and explain the reason(s) for the variance. Specify which assessment areas had full reviews and which had limited ones and note if any areas fully reviewed were given greater weight in reaching conclusions.

². For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN (NAME OF STATE)

Describe the institution's operations within the state, including a description of the assessment area(s) served. Information that may be important includes: total statewide assets; asset/loan portfolio mix; primary business focus; branching network; any merger or acquisition activity; and a brief description of the metropolitan areas, non-metropolitan areas, and assessment areas served within the state.

NOTE

In addition to the above, specify the MAs that are included in the state's assessment areas and their general location in the state, and provide data on the following: total deposits in the state, state deposits as a percentage of the bank's overall total deposits, and the bank's deposit share in the state. In addition, discuss qualitative aspects that may have influenced the bank's performance, such as the level of competition and length of time in the market. General information concerning the total population of the combined assessment areas, income ranges and unemployment levels, and a broad economic overview should also be presented. Include a general discussion of credit needs in the assessment area(s) and any information from community contacts that is applicable to the entire state. Specific demographic information is to be presented in the discussions relating to the individual assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN (NAME OF STATE)

Discuss the institution's CRA performance within the state. The facts, data and analyses that were used to form a conclusion about the rating should be reflected in the narrative, including institution strengths and areas for improvement. The narrative should clearly demonstrate how the results of each of the performance test analyses factored into the rating. Charts and tables should be used whenever possible to summarize and effectively present the most critical or informative data used by the examiner in analyzing the institution's performance and reaching conclusions.

NOTE

Use the following format for the discussion of conclusions:

LENDING TEST

State the rating (for example, "outstanding," "high satisfactory," "low satisfactory") with respect to the lending test and provide a brief explanation to support the rating. The explanation should include the conclusions for the full-scope MAs evaluated at the examination. Explain when any areas were given greater weight than others were.

Lending Activity: State a conclusion (for example, "excellent," "good," "adequate") regarding

lending activity. Insert the Total Lending Activity Table into the text (see example in institution section) showing the number and dollar value of all applicable loans originated or purchased by the bank and its affiliates, if applicable, in all assessment areas in the state. Make reference to Core Table 1: Lending Volume for further information about lending in specific assessment areas. You may note strengths or weaknesses in lending activity in specific assessment areas if necessary; however, details should usually be given only in the discussions of the specific assessment areas.

Geographic and Borrower Distribution: State a conclusion (for example, “excellent,” “good,” “adequate”) regarding each of these elements of the lending test. Remember that overall conclusions are based on performance in the various assessment areas, and it is not necessary to calculate performance data for all the assessment areas in the state. Provide support by specifying the conclusions in the various assessment areas that were factored into the bank’s overall performance. Discuss performance in general. Detailed discussions should be reserved for assessment area write-ups.

With respect to geographic distribution, provide a general discussion of any significant lending gaps in contiguous geographies that were found. Details should be provided in the discussion of the assessment area concerned.

In addition, discuss any significant qualitative aspects that may have augmented the bank’s performance levels in the state, for example, innovative or flexible lending practices or products that are available throughout the assessment areas in the state. Provide a general description of the product(s) or practice(s) and indicate in what way LMI geographies and/or LMI borrowers were assisted. Include information on the volume of loans originated under the programs and indicate that the loans are included in the overall volume of loans evaluated. If such products or practices are unique to specific assessment areas, they should be mentioned only briefly and the reader should be directed to the appropriate section(s) of the evaluation for details.

Community Development Loans: State a conclusion about the level of community development lending (for example, “the bank is a leader,” “makes a relatively high level,” “makes an adequate level”) overall and in full-scope MAs. Explain when any areas were given greater weight than others were. Refer as appropriate to issues pertaining to performance context and availability of opportunities. State the total of community development loans (number and dollar amount) in all the assessment areas in the state combined, and direct the reader to Core Table 1 for data on the volume of loans in each assessment area. In addition, state the total of “other community development activity” considered, such as letters of credit. Provide general comments and specific examples of qualitative aspects that may have augmented performance, such as responsiveness to need, degree of innovation, or complexity. Other than in the examples, details about the qualitative aspects of loans should be presented in the discussions of the assessment areas in which the loans are located.

INVESTMENT TEST

State the rating (for example, “outstanding,” “high satisfactory,” “low satisfactory”) with respect to the investment test in the state and in the full-scope MAs. Explain when any areas were given greater weight than others were. Provide the total amount of investments (number and dollar) for all the assessment areas in the state combined and state a conclusion regarding evaluation of the level of activity (for example, “excellent,” “significant,” “adequate”). Note if any investments were given greater weight than others were and explain why. Describe the details of any investments that assist the state’s overall assessment areas. Indicate if such amounts are in addition to or included in the specific assessment area activity shown in Core Table 14: Qualified Investments, and direct the reader to that table. Comment generally on the qualitative aspects that may have augmented performance, such as responsiveness to need, degree of innovation, or complexity. Details of qualitative aspects of investments should be presented in the discussions of the assessment areas to which the investments relate.

SERVICE TEST

State the rating (for example, “outstanding,” “high satisfactory,” “low satisfactory”) with respect to the service test and support your rating by specifying the conclusions in the various assessment areas that were factored into the rating of the bank’s performance. State conclusions about performance regarding each element of the retail service portion of the test as well as to the community development service portion. Use the terminology of Regulation BB Appendix A, which describes the various performance levels. Detailed discussions should be reserved for assessment area write-ups. However, if there are particular assessment areas in which performance was exceptionally good or bad, you may mention the assessment area(s) and refer to the section(s) of the document in which detailed information is presented. Discuss any differences in products offered that are unique to the state.

METROPOLITAN AREAS

(For metropolitan areas with some or all assessment areas reviewed using the examination procedures.)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN (Name of Metropolitan Area & State)

Describe the institution's operations within the metropolitan area, including a description of each of the assessment area(s) that it serves within the metropolitan area. Information that may be important includes: the number of branches within the assessment areas and the number of individuals and geographies in each income category. Indicate how many of those assessment areas were reviewed using the full examination procedures. Other information that may be important includes population trends, income levels, type and condition of housing stock, available employment, and general business activity. Also include a summary of any credit needs identified and particular lending opportunities which were noted.

Discuss, if appropriate, the number and kinds of CRA-related community contacts that were consulted and relevant information obtained and used, if any, in the CRA evaluation. Typically, more detailed information will be presented for assessment areas reviewed using the full examination procedures. Charts and tables may be used to effectively present information as appropriate, particularly for assessment areas that are reviewed using the limited examination procedures.

NOTE

In addition to the above, specify the counties and major cities that make up the MA and include data on the following: total deposits in the MA, MA deposits as a percentage of the state's overall total deposits, and the bank's deposit share in the MA. Discuss qualitative aspects that may have influenced the bank's performance, such as the level of competition and length of time in the market. Insert the demographic information table below, which provides primary demographic details. Finally, discuss HUD adjusted-income levels, unemployment rates and major employers, and provide an overview of the economy and any other relevant performance context information you used, including information obtained from community contacts.

EXHIBIT 3
Assessment Area Demographics
(Insert name of assessment area)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	39	14.6	37,694	7.8	15,579	41.3	113,168	23.3
Moderate-income	57	21.3	90,481	18.6	20,899	23.1	79,578	16.4
Middle-income	96	36.0	192,219	39.6	23,846	12.4	93,094	19.2
Upper-income	75	28.1	164,819	34.0	8,355	5.1	199,373	41.1
Total Assessment Area	267	100.0	485,213	100.0	68,679	14.2	485,213	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	71,485	12,252	3.3	17.1	50,122	70.1	9,111	12.7
Moderate-income	150,066	48,351	12.9	32.2	87,510	58.3	14,205	9.5
Middle-income	292,074	153,540	40.8	52.6	110,334	37.8	28,200	9.7
Upper-income	257,663	161,863	43.0	62.8	68,383	26.5	27,417	10.6
Total Assessment Area	771,288	375,006	100.0	48.8	316,349	41.0	78,933	10.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	8,402	10.1	7,096	9.9	1,306	10.9	0	--
Moderate-income	15,865	19.0	13,177	18.4	2,688	22.5	0	--
Middle-income	25,892	31.0	23,028	32.2	2,864	23.9	0	--
Upper-income	33,388	40.0	28,274	39.5	5,114	42.7	0	--
Tract not reported	0	0.0	0	0.0	0	0	0	--
Total Assessment Area	83,547	100.0	71,575	100.0	11,972	100.0	0	--
	Percentage of Total Business:		85.7		14.3			

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN (NAME OF METROPOLITAN AREA AND STATE)

Discuss the institution's CRA performance within the metropolitan area, including institution strengths and areas for improvement. The narrative should clearly demonstrate how the results of each of the performance test analyses factored into the conclusions. Support your conclusions with an analysis of facts and data, such as the number and volume of loans and investments, by type, across geographies and borrower categories in the assessment areas reviewed using the full examination procedures. In addition, support your conclusions with a discussion of facts and data for assessment areas reviewed using the limited examination procedures when appropriate. Indicate whether the institution's performance in the assessment areas reviewed using the limited examination procedures is consistent with the institution's record in assessment areas reviewed using the full examination procedures in the metropolitan area. Charts

and tables should be used whenever possible to summarize and effectively present the most critical or informative data used by the examiner in analyzing the institution's performance and reaching conclusions.

NOTE

Use the following format for the discussion:

LENDING TEST

State a conclusion with respect to the lending test (for example, "excellent," "good," "adequate") and provide a brief explanation, including performance context information, as applicable, to support the conclusion.

Lending Activity: State a conclusion (for example, "excellent," "good," "adequate.") regarding lending activity and direct the reader to Core Table 1: Lending Volume for details. Explain the basis of your conclusion, with reference to any applicable performance context information.

Geographic Distribution: State a conclusion (for example, "excellent," "good," "adequate") regarding the overall geographic distribution of loans and direct the reader to Core Tables 2 through 7 and Table 13, as applicable, for details. Explain the basis of your conclusion, with reference to any applicable performance context and community contact information. Discuss separately performance with respect to HMDA-related products, such as home purchase loans and refinancings, as well as with respect to small business and small farm loans and consumer loans, as applicable. For each product category:

1. State a conclusion (for example, "excellent," "good," "adequate") regarding performance, with reference to the appropriate demographic and aggregate information contained in the core tables, and insert key numbers as necessary.
2. Discuss separately performance in LMI geographies.
3. Discuss any significant lending gaps in contiguous geographies.
4. Discuss any qualitative aspects of lending performance that may have augmented performance. These may include innovative or flexible lending practices or products that are available throughout the bank's assessment areas or that are unique to the particular assessment area. Products or practices already discussed in detail at the institution or state level should be mentioned only briefly. However, for those products or practices unique to the assessment area, provide details about the product(s) or practice(s) and indicate in what way LMI geographies were assisted. Include information concerning the volume of loans originated under the programs and indicate that the loans are included in the overall volume of loans evaluated.

Distribution by Borrower Income and Revenue Size of the Business: State a conclusion (for example, “excellent,” “good,” “adequate”) regarding the overall distribution of loans by borrower income and revenue size of the business. Refer to Core Tables 8 through 13, as applicable, for details. Explain the basis of your conclusion, with reference to any applicable performance context and community contact information. Discuss separately performance with respect to HMDA-related loans, small business loans, small farm loans, and consumer loans, as applicable. For each product category:

1. State a conclusion (for example, “excellent,” “good,” “adequate”) regarding performance in relation to the appropriate demographic and aggregate information provided in the tables, using key numbers as necessary.
2. For HMDA-related and consumer loans, discuss separately performance with respect to LMI borrowers.
3. Discuss any qualitative aspects of lending performance that may have augmented performance levels. These may include innovative or flexible lending practices or products that are available throughout the bank’s assessment areas or that are unique to the particular assessment area. Products or practices already discussed in detail at the institution or state level should be mentioned only briefly. However, for those products or practices unique to the assessment area, provide a more detailed description of the product(s) or practice(s) and indicate in what way LMI borrowers were assisted. Include information on the volume of loans originated under the programs and indicate that they are included in the overall volume of loans evaluated.

Community Development Lending: State a conclusion (for example, “the bank is a leader,” “makes a relatively high level of . . .,” “makes an adequate level of . . .”) for community development lending, and refer to performance context and availability of opportunities issues, as appropriate. State the volume of loans originated and purchased, and note any “other community development activity” that was considered, such as letters of credit. Indicate the level (number and dollar amount) of community development lending directed toward each of the four community development categories (for example, affordable housing) and include significant examples as warranted.

INVESTMENT TEST

State a conclusion (for example, “excellent,” “good,” “adequate”) regarding the level of investments. Note the number and dollar amount of investments in the assessment area, and direct the reader to Core Table 14 for details. Note if any investments were given greater weight than others were and explain why. Comment on the qualitative aspects that may have augmented performance levels, such as responsiveness to need, degree of innovation, or complexity. Provide significant examples of qualified investments to substantiate your conclusions.

SERVICE TEST

State a conclusion (for example, “excellent,” “good,” “adequate”) for the overall service test and the basis for the conclusion.

Retail Services

For retail services, using the terminology in Appendix A to Regulation BB, state a conclusion based on the following:

1. Accessibility of branches, with a reference to Core Table 15 for details and a comparison of branch locations with the population information provided in the table.
2. Availability of alternative delivery systems that may effectively enhance service to LMI geographies or persons.
3. Changes in branch locations (as shown in Table 15) and the impact on LMI geographies or persons.
4. Reasonableness of services if conclusion differs from that for the services overall.

Community Development Services:

State a conclusion (for example, “leader in providing,” “provides a relatively high level”) regarding community development services and provide details concerning and examples of the bank’s activity.

METROPOLITAN AREAS

(For each metropolitan area where no assessment areas were reviewed using the examination procedures.)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN (NAME OF METROPOLITAN AREA AND STATE)

Describe the institution’s operations within the metropolitan area, including a description of each of the assessment area(s) that it serves within the metropolitan area. Include key information such as the number of branches within the assessment areas and the number of individuals and geographies in each income category.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN (NAME OF METROPOLITAN AREA AND STATE)

Summarize the facts and data that were reviewed, including demographic information on the assessment areas and information on the institution’s performance. Indicate whether the institution’s performance in the assessment areas reviewed using the limited examination procedures is consistent with the institution’s record [overall/in the state], using one of the two following statements:

- a. The institution’s [lending, investment, service] performance in the area is consistent with the institution’s [lending, investment, service] performance overall [or in the state].
- b. The institution’s [lending, investment, service] performance in the area [exceeds/is below], the institution’s [lending, investment, service] performance for the [institution/state]; however, it does not change the rating for the [institution/state]

NOTE

Activity and performance context information for assessment areas having limited reviews is presented in the core tables and should not be repeated here. Conclusions (consistent, exceeds, or below) regarding performance should be entered into a table that includes all limited review assessment areas in a particular state. If there is only one such area, conclusions can be presented in text and no table is necessary.

Please use the following text in your public evaluation:

“Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report. Conclusions regarding performance, which did not impact the overall (insert either “institution” or “state”) rating, are as follows:”

Large Institution Performance Evaluation
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Federal Reserve Bank Guidance
June 2002

Assessment Area	Lending Test	Investment Test	Service Test

NON-METROPOLITAN STATEWIDE AREA³

(If some or all of the assessment areas within the non-metropolitan statewide area were reviewed using the examination procedures.)

NOTE

For guidance in preparing this portion of the public evaluation, see **METROPOLITAN AREAS** beginning on page 19.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN (NAME OF NON-METROPOLITAN AREA AND STATE)

Describe the institution's operations within the non-metropolitan statewide area, including a description of each of the assessment area(s) that it serves within the non-metropolitan statewide area. Information that may be important includes the number of branches within the assessment areas and the number of individuals and geographies in each income category. Indicate how many of those assessment areas were reviewed using the full examination procedures. Other information that may be important includes population trends, income levels, type and condition of housing stock, available employment, and general business activity. Also include a summary of any credit needs identified and particular lending opportunities which were noted.

Discuss, if appropriate, the number and kinds of CRA-related community contacts that were consulted and relevant information obtained and used, if any, in the CRA evaluation. Typically, more detailed information will be presented for assessment areas reviewed using the full examination procedures. Charts and tables may be used to effectively present information as appropriate, particularly for assessment areas that are reviewed using the limited examination procedures.

3. The discussion of an institution's CRA performance within a non-metropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a non-metropolitan statewide area for intrastate banks that have branches in metropolitan and non-metropolitan areas is optional because the performance in the non-metropolitan areas have been reviewed and discussed in the overall evaluation of the institution. Examiners may wish to discuss in greater detail, however, the assessment areas within non-metropolitan areas that were reviewed using the examination procedures for intrastate banks with branches in metropolitan and non-metropolitan areas, or for intrastate banks with branches only in non-metropolitan areas.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
(NAME OF NON-METROPOLITAN AREA AND STATE)**

Discuss the institution's CRA performance within the non-metropolitan statewide area. The facts, data and analyses that were used to form a conclusion should be reflected in the narrative, including institution strengths and areas for improvement. The narrative should clearly demonstrate how the results of each of the performance test analyses factored into the conclusions for the non-metropolitan statewide area. Support your conclusions with an analysis of facts and data, such as the number and volume of loans and investments, by type, across geographies and borrower categories in the assessment areas reviewed using the full examination procedures. In addition, support your conclusions with a discussion of facts and data for assessment areas reviewed using the limited examination procedures when appropriate. Indicate whether the institution's performance in the assessment areas reviewed using the limited examination procedures is consistent with the institution's record in assessment areas reviewed using the full examination procedures in the non-metropolitan statewide area.

Charts and tables should be used whenever possible to summarize and effectively present the most critical or informative data used by the examiner in analyzing the institution's performance and reaching conclusions.

NON-METROPOLITAN STATEWIDE AREA⁴

(If none of the assessment areas within the non-metropolitan statewide area were reviewed using the examination procedures.)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN (NAME OF NON-METROPOLITAN AREA AND STATE)

Describe the institution's operations within the non-metropolitan statewide area, including a description of each of the assessment area(s) that it serves. Include key information such as the number of branches within each assessment area and the number of individuals and geographies in each income category.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN (NAME OF NON-METROPOLITAN STATEWIDE AREA)

Summarize the facts and data that were reviewed, including demographic information on the assessment areas and information on the institution's performance. Indicate whether the institution's performance in the assessment areas reviewed using the limited examination procedures is consistent with the institution's record [overall/in the state], using one of the two following statements:

- a. The institution's [lending, investment, service] performance in the area is consistent with the institution's [lending, investment, service] performance overall [or in the state].
- b. The institution's [lending, investment, service] performance in the area [exceeds/is below], the institution's [lending, investment, service] performance for the [institution/state]; however, it does not change the rating for the [institution/state].

NOTE

For guidance in preparing this portion of the public evaluation, see **METROPOLITAN AREAS** beginning on page 24.

4. The discussion of an institution's CRA performance within a non-metropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a non-metropolitan statewide area for intrastate banks that have branches in metropolitan and non-metropolitan areas is optional. Examiners may wish to discuss in greater detail, however, the assessment areas within the non-metropolitan areas that were reviewed using the examination procedures for intrastate banks with branches in metropolitan and non-metropolitan areas, or for intrastate banks with branches only in non-metropolitan areas.

CRA APPENDIX A

SCOPE OF EXAMINATION

NOTE

The Scope of Examination discussion has been moved to the front of the public disclosure. On this page, refer the reader to that discussion, which is on page 3 in this document. There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state. Therefore, this appendix must be used for multistate institutions. In addition, large institutions with multiple assessment areas or affiliates subject to examination may warrant the use of charts that convey information regarding the scope of the examination. The following chart may be used as a supplement to the discussion of the scope. If it is used, please refer to Appendix A in your discussion.

Large Institution Performance Evaluation
September 2000

Federal Reserve Bank Guidance
June 2002

SCOPE OF EXAMINATION [SAMPLE]

TIME PERIOD REVIEWED	1/1/95 TO 6/30/96		
FINANCIAL INSTITUTION XYZ State Bank Grand Rapids, MI			PRODUCTS REVIEWED <ul style="list-style-type: none"> • Small Business • Small Farm • Consumer • Unsecured
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
XYZ Mortgage Company	Bank subsidiary		Mortgage loans
XYZ Community Investment Corporation	Holding company subsidiary		Investments
XYZ Credit Card Corporation	Holding company subsidiary		Credit Cards

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LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION

ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED ⁵	OTHER INFORMATION
ILLINOIS MSA 0008 Decatur Adams County Non-MSA rural Illinois	Full procedures Ltd. procedures Full procedures		Mortgage loans not offered in non-MSA rural areas.
MICHIGAN MSA 0001 Grand Rapids City of Marcellus Non-MSA rural Michigan	Full procedures Full procedures Ltd. procedures		The scope of examination for non-MSA rural Michigan branches encompasses activities for the past six months, coinciding with their acquisition date.

NOTE

In the “branches visited” column, insert the names and addresses of the branches where examiners checked for technical compliance (sign and public file, if applicable). Under the table insert the following text:

“Note: “Branches visited” indicates where technical compliance with the CRA (signs, public file, etc.) was confirmed. The evaluation of the institution’s CRA performance takes into consideration activity from all branch locations, as described in the “Scope of Examination.”

5. There is a statutory requirement that the written evaluation of a multistate institution’s performance must list the individual branches examined in each state.

CRA APPENDIX B
SUMMARY OF STATE AND MULTISTATE MSA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating

NOTE

The following appendix has been added to the public disclosure. It is based on the definitions used in relation to the FFIEC core tables. Please do not delete or change any items listed here. You may add items that are appropriate for a particular examination.

CRA APPENDIX C**GLOSSARY**

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Block numbering area (“BNA”): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Metropolitan area (MA): Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

CRA APPENDIX D
CORE CRA TABLES

NOTE

Insert all applicable CRA core tables here.

CRA APPENDIX E
ASSESSMENT AREA MAPS

NOTE

You may include a map of the bank's assessment areas in this optional appendix.